The Brand-new Deal

# FY2025 1st Half Business Results Summary Investor Briefing

ITOCHU Corporation (8001)

November 7, 2025

Forward-Looking Statements

Data and projections contained in these materials are based on the information available at the time of publication, and various factors may cause the actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.

* FY2025 refers to the fiscal year ending March 2026.



ITOCHU

Good morning, everyone. I am President Ishii.
Thank you very much for joining us today.
I will explain three highlights from our first half business results announcement: Solid earnings progress, Dividend increase, and Share split.
Please refer to page 2 of the “FY2025 1st half Business Results Summary” Presentation Materials, released on November 5.

## Highlights

### Solid earnings progress

- H1 consolidated net profit was a near-record **¥500.3 billion** (56% progress), and operating cash flows reached a record-high of **¥609.2 billion**
- **Revised full-year core profit forecast**

| | |
|---|---|
| Initial Plan | ¥770.0-850.0 bn |
| Revised | **¥800.0-820.0 bn** |

- Revised full-year forecast by segment

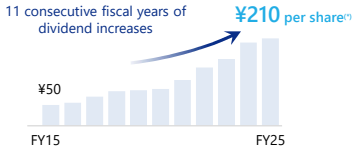
| | |
|---|---|
| Upward revision | **Textile, Food, ICT & Financial, The 8th, and Others** |
| Downward revision | Metals & Minerals |

| | Initial plan (May 2, 2025) | Revised forecast (November 5, 2025) |
|---|---|---|
| Consolidated net profit | ¥900.0 bn (No change) | |
| Core profit | ¥770.0-850.0 bn | **¥800.0-820.0 bn** |

### Dividend increase

- **11 consecutive fiscal years of progressive dividend increases**

| | | |
|---|---|---|
| Initial Plan | ¥200 per share | |
| Revised(*) | **¥210 per share** | **+¥10** |




| | Initial plan (May 2, 2025) | Revised forecast (November 5, 2025) |
|---|---|---|
| Dividend per share | ¥200 | **¥210(*)** |
| Share buybacks | Approx. ¥170.0 bn | **¥150.0 bn or more** |
| Total payout ratio | Aiming at 50% (No change) | |

### Share split

- Share split of one common share into **5 shares**, effective January 1, 2026

| Split ratio | Effective date |
|---|---|
| **5-for-1** | **January 1, 2026** |

By lowering the investment amount per trading unit, we aim to create a more accessible investment environment, increase stock liquidity, and broaden our investor base, including individual shareholders.

(*) Calculated based on the number of shares before split.





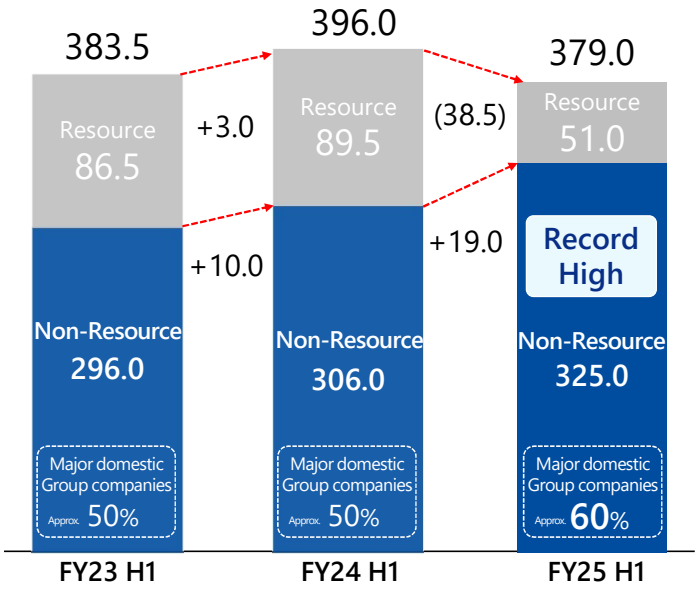
The first point is the progress of financial results for FY2025.
Consolidated net profit for the first half reached ¥500.3 billion, an increase of ¥61.8 billion year-on-year, reaching a record-high level.
While extraordinary gains from asset replacements contributed, our strong performance was primarily driven by the robust results in non-resource sector, which is one of our key strengths.
Progress toward the full-year forecast of ¥900.0 billion has reached 56%, exceeding our initial expectations, and has been demonstrating steadily.
Regarding the full-year consolidated net profit forecast, there is no change from the initial announcement, it remains at ¥900.0 billion. However, we have revised our full-year core profit forecast to a range from ¥800.0 billion to ¥820.0 billion.
At the beginning of the fiscal year, our core profit plan was set as a broad range from ¥770.0 billion to ¥850.0 billion, however, given the steady progress in the first half, we have raised upward the lower limit of this range.
Regarding the forecasts by segment, we have revised forecast downward for Metals & Minerals due to difficult circumstances in the first half. On the other hand, we have revised the forecasts upward for Textile, Food, ICT & Financial Business, The 8th, and Others.
All these upwardly revised segments belong to non-resource sector—particularly in consumer-related businesses, which are among our key strengths. This demonstrates that profitability in these businesses continues to steadily increase, with core profit accumulating solidly.

In addition, while the outlook for reciprocal tariffs was uncertain at the beginning of the fiscal year, the situation settled at a manageable level in September, and we expect a recovery in transactions in the second half.
One negative factor is the ongoing price declines caused by dumping exports from China, which has excess production capacity. The extent to which this will continue requires close monitoring.
The second point is shareholder returns.
At the beginning of the fiscal year, while we recognized market expectations for dividend increase, our initial plan for dividend per share was ¥200 as same as the previous fiscal year. This decision reflected the highly uncertain business environment at the time, which included undetermined U.S. tariff policies and more uncertainties than usual. However, as I mentioned earlier, as the outlook regarding tariffs gradually became clearer and overall uncertainty began to subside, our first half results also showed steady progress. With solid accumulation of core profit, particularly in non-resource sectors, we decided to increase the dividend per share by ¥10, resulting in ¥210 for the 11 consecutive years of dividend increases with confidence in our profit growth.
The third point is share split.
We plan to conduct a share split of our common shares at a ratio of 1 to 5, with the effective date set for January 1, 2026. While a share split does not inherently enhance corporate value, we have carefully considered this matter over time.
As Japan government promotes Japan as a Leading Asset Management Center, the Tokyo Stock Exchange is recommending share splits to lower investment units and thereby broaden the investor base, including individual investors. Respecting this recommendation, we decided to implement a five-for-one share split, with the hope that it will encourage more people to become shareholders and, in turn, further support the increasing of our corporate value.
Through this share split, we strive to embody the spirit of Sampo-yoshi -good for shareholders, good for ITOCHU, good for society- in the stock market as well. We hope that even more people will become fans of ITOCHU as a result.

That concludes with my explanation of the highlights.

## Core Profit for H1

(Unit : billion yen)




### Measures for FY25 H2

**Resource**

- ✓ Turnaround in the Australian coking coal project

**Non-Resource**

- ✓ Accumulation of core profit for the major domestic Group companies such as DESCENTE, CTC, and FamilyMart
- ✓ Strengthening the medium-sized Group companies whose scale of annual profit contribution is ¥2 to 10 billion
- ✓ Turnaround in IFL

(*1) The total includes "Others."
(*2) Major domestic group companies are defined as domestic group companies whose scale of annual profit contribution result (or forecast for FY25) is ¥2 billion or more.




Next, I will explain the other two points: our robust core profit base and the status of turnarounds in businesses facing challenges.
Regarding core profit for the first half, please refer to the slide currently being displayed.
In resource sector, persistently low prices have continued to weigh on results, as has been the case for other companies. This has been especially notable in coking coal, where core profit declined more than anticipated. Additionally, the ongoing delay in the production recovery of our Australian coking coal project since the end of last year has placed further pressure on earnings.
Meanwhile, in non-resource sector, the impact of the Trump administration's tariff policies—whose outcome remained uncertain until September—led to export adjustments, especially in vehicles and machinery destined for the United States, resulting in continued instability. Additionally, our pulp business in Finland also experienced sluggish performance.
Regarding situations of these two turnarounds in businesses facing challenges, I will explain later.
Despite these circumstances, our domestic reliable Group companies—one of ITOCHU's key strengths—made a significant contribution to the accumulation of core profit during the first half.
As shown in the slide, core profits in non-resource sector have continued to accumulate steadily, reaching a record-high in the first half following strong performance in the first quarter.

For core profits in non-resource sector, the proportion of our domestic Group companies generating profits of ¥2.0 billion or more has been increasing and now stands at approximately 60%. In addition to domestic core Group companies in consumer-related businesses—such as DESCENTE, CTC, and FamilyMart—mid-sized Group companies with profit levels between ¥2.0 billion and ¥10.0 billion are also steadily strengthening their earnings power year after year.

## Grow Earnings: Enhancing Hands-on Management

- Strengthening M&A by Group companies and steadily nurture medium-sized Group companies.
- Promoting highly efficient management by actively promoting asset replacements.

### Number of group companies and profits/losses from group companies by scale (FY24 results)

| (Scale of profit contribution) | (Number of companies) | | (Total profits/losses from group companies) |
|---|---|---|---|
| over 10 billion yen | 9 | IMEA, CITIC, FamilyMart, CTC, YANASE, etc. | 470.2 billion yen |
| 5 to 10 billion yen | 20 | ITOCHU ENEX, Hitachi Construction Machinery, DAIKEN, etc. | 131.8 billion yen |
| 2 to 5 billion yen | 28 | HOKEN NO MADOGUCHI, C.I. TAKIRON, HYLIFE, ITOCHU KENZAI, etc. | 90.6 billion yen |
| 0 to 2 billion yen | 148 | | 79.9 billion yen |
| Group companies reporting losses | 22 | IFL, Dole, etc. | (20.1) billion yen |

- ✓ Our distinctive feature is the breadth of medium-sized Group companies diversified across sectors.
- ✓ While enhancing our strength -hands-on management- through M&A by Group companies and horizontal collaboration, we nurture future core companies.
- ✓ In parallel, for low-growth businesses, consider asset replacements.

### Strengthening M&A by Group Companies

**Case 1 HOKEN NO MADOGUCHI GROUP**

- Japan's leading storefront retail insurance distributor; became wholly owned (100%) in FY25 Q2.
- Executed four acquisitions of peer companies in FY25 H1.
  - Acquired other-brand insurance shop locations primarily in regions where our directly operated stores had limited coverage (e.g., Kyushu and Western Japan).
  - In parallel, leverage AI, etc., to enhance customer experience and services, aiming to increase the number of contracts.


Learn more about growth strategy

**Case 2 ITOCHU KENZAI**

ITOCHU KENZAI → Acquired → Iwano Bussan

- A 100%-owned specialized trading company for building materials.
- As the domestic market for detached housing continues to shrink, we aim to expand earnings in the non-residential field and acquired Iwano Bussan, a civil engineering materials trading company with a long track record.
  - Collaborate with Nishimatsu Construction and Oriental Shiraishi, which have strengths in civil engineering, to expand the handling volume of civil engineering materials.
  - Contribute to social needs such as countermeasures for aging social infrastructure and disaster prevention and mitigation.

### Actively Promoting Asset Replacements

- C.P. Pokphand Approx. ¥160.0 bn
- PROVENCE HUILES Approx. ¥17.0 bn
- JAMCO Approx. ¥14.0 bn

FY25
Exit of over ¥300.0 billion is expected

Promote highly efficient management





Next, please refer to page 17.
Over the past few weeks, CEO/Chairman Okafuji and I have had review meetings with the presidents of approximately 40 Group companies and heard strong reassuring comments from each of them who have thoroughly embraced ITOCHU's unique management approach, such as hands-on management, the principle of Earn, Cut and Prevent, and Commitment-Based Management regarding their recent business performance and forecast for the second half.
Even amidst global uncertainty at the beginning of fiscal year, our Group companies have recorded 87.1%, near record for ratio of Group companies reporting profits.
And it is noteworthy that around one-third of these companies achieved record-high profits in the first half. I believe these results show the soundness and resilience of Group companies.
The company operates under the principles of front-line capabilities and hands-on management, continuously nurturing and refining our Group companies.
It is important that those who have learnt management philosophy from CEO/Chairman Okafuji and implemented management approach are presidents for many Group companies and that they can communicate appropriately, understand management advice promptly, and take actions quickly. Especially, our steady growth foundation consists of the Group companies highlighted in light blue with profits between ¥2.0 billion and ¥10.0 billion, and we are willing to further enhance these Group companies.

We believe that proactive enhancing businesses are unlikely to fail—precisely because we understand the industry and the business well—is a highly feasible strategy that will support the company's sustainable organic growth going forward.
Then, we believe it is crucial to foster a stronger sense of unity and closer ties between headquarters and these Group companies. This is achieved through unannounced site visit by CEO/Chairman and me, as well as through exchange meetings with employees of Group companies, seminars and networking events for top managements of Group companies.
We will achieve reliable business strengthening and growth through the sharing of strategies, the allocation of necessary resources from headquarters, and the steady execution of key growth initiatives such as M&A and business reforms.

## Status of Major Turnaround Projects（Australian coking coal）

Surface facilities (prep plant, etc.)



2025 Jan. | Mar. | Apr. | Sep. | Dec.

A | B | C | D | E

| | |
|---|---|
| A | January 2, 2025, completed mining at previous mine. Operation struggled due to the depth of the mine, which caused 6 months delay from the original plan. |
| B | March 8, started mining at the 1st panel of a new mine, after the longwall mining equipment's arrival from the previous mine. Higher performance achieved initially. |
| C | April 22, faced the fault area. Cutting rate down significantly due to the worsened geological condition. |
| D | September 9, completed the fault area and resumed cutting at the normal rate, and currently arriving at the end of the 1st panel. |
| E | By early–mid December, the longwall will move to the 2nd panel and resume mining. |

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Next, I will explain the status of turnarounds in businesses facing challenges.
First, coking coal project in Australia.
In March, the project transitioned to the first panel of the new mining site.
Unfortunately, in April, production stalled after encountering complex fault and resulted in a six-month delay in production.
After that, the project finally managed to pass through that fault in September and have recovered production to normal levels, continuing shipments.
The project plans to commence mining in the next second panel around mid-December, and the operation is expected to stabilize thereafter.

## Status of Major Turnaround Projects（IFL）

＜Causes＞

Rapid rise and persistently high log prices due to the prolonged Russia-Ukraine situation

Sluggish paper demand, mainly in China

＜Current Status & Countermeasures＞

Implementing all possible measures to suppress log prices, including engaging with the government of Finland and forest owners.

Completion of repairs at Kemi Mil (main plant). Operations are running smoothly, with improved efficiency leading to reduced variable costs.

Strengthening collaboration in sales, promoting to maximize pulp sales volumes mainly in China, by responding to market needs under initiatives led by ITOCHU.



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Next, let me explain the IFL, pulp business in Finland.
Metsa Fibre sells pulp and paper products made from domestic log to Europe and China. However, the prolonged Russia-Ukraine situation led to the suspension of Russian log imports, causing supply and demand to rapidly tighten.
In addition, driven by falling pulp prices and declining sales volumes due to sluggish paper demand in China—our largest market—where the domestic economy and consumption remain sluggish, the first half yielded extremely tough results.
The combination of soaring log costs and sluggish sales led to production adjustments, causing production costs to surge sharply and developing into a structural problem.
Locally, persistent efforts are being made to curb log prices, involving the Finnish government in outreach to log producers.
In addition to implementing fundamental cost-cutting measures at Metsa Fibre itself, we are continuing negotiations to minimize future impacts, including diversifying sales channels and reviewing capital policies.
We will promptly take these steps in order to minimize negative impact.



This concludes with the overview of our financial results for first half and the forecast for the full-year.
Our earnings are not derived from large-scale resource extraction but rather from accumulating profits through each individual transaction and business — a collection of small profits.
By combining hands-on management that works alongside front line and ITOCHU's distinctive management principle of Earn, Cut and Prevent, we believe we can let profits of Group companies solid and drive further growth.
Such as DESCENTE and CTC, core profits have been expanded based on reliably predictable profits through the conversion from general investments to associated companies or from associated companies to subsidiaries.
Not every investment or business is guaranteed to succeed.
However, by working together at the front line, we can gain insight into the people and industries involved. When anomalies are detected, we can correspond to solve them involving related parties at the earliest stage, when the damage is still minimal. This is our hands-on management approach, and it is the feat of our front-line capability.
We may encounter turnaround projects in the future, but we will resolve them without fail.
We are determined to firmly achieve our committed full-year forecast of ¥900.0 billion and to steadily realize next phase of upward growth in ITOCHU way.

That is all from me.
Thank you for your attention.